UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 23, 2022

WRAP TECHNOLOGIES, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	000-55838	98-0551945
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

1817 W 4th Street, Tempe, Arizona 85281
(Address of principal executive offices)

(800) 583-2652
(Registrant's Telephone Number)

Not Applicable
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	WRAP	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2) ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Item 1.01 Entry into a Material Definitive Agreement.

See Item 5.02.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 24, 2022, Wrap Technologies, Inc. (the "*Company*") announced a leadership transition plan to support the next phase of its corporate strategy, which is focused on diversifying the Company's suite of products, offerings and services (the "*Management Restructuring*"). The Management Restructuring includes the following:

Resignation of Thomas P. Smith. Thomas P. Smith resigned as the Company's President and Chief Executive Officer, and as a director of the Company, each effective on January 24, 2022 (the "*Resignation Date*"), pursuant to a separation agreement entered into by the Company and Mr. Smith on the Resignation Date (the "*Separation Agreement*"). Under the terms of the Separation Agreement, Mr. Smith is entitled to (i) a one-time bonus payment of $100,000 for the achievement of certain business objectives in 2021; (ii) severance in an amount equal to nine months of his base salary paid in installments over a period of nine months following the Resignation Date, (iii) continued vesting of equity-based awards granted pursuant to the Company's Amended 2017 Equity Compensation Plan and outstanding as of the Resignation Date through and until December 31, 2022, (iv) an extension of the time period during which Mr. Smith may exercise outstanding vested stock options through the first anniversary of the Resignation Date (or, if earlier, through the original expiration date of the applicable stock option); and (v) reimbursement for the Company portion of any healthcare premiums provided to Mr. Smith and any covered dependents under the Consolidated Omnibus Reconciliation Act of 1986, as amended, ("*COBRA*") through December 31, 2022, subject to Mr. Smith's election of coverage under COBRA (collectively, the " *Separation Benefits*"). As part of the Separation Agreement, Mr. Smith has entered into a general release of claims in favor of the Company, affirmed his obligations to abide by restrictive covenants, and agreed to a non-disparagement covenant in favor of the Company.

Appointment of LW Varner, Jr. Effective on the date of Mr. Smith's resignation, January 24, 2022, the Company announced the appointment of LW Varner, Jr., 71, as Interim Chief Executive Officer of the Company. Mr. Varner will serve as Interim Chief Executive Officer under the terms of a Consulting Agreement dated January 24, 2022, by and between the Company and LWV Consulting, LLC (the "*Interim CEO Consulting Agreement*"), pursuant to which LWV Consulting, LLC will engage Mr. Varner to provide consulting services for a term of four weeks (the "*Initial Term*"), which term shall automatically renew for two additional consecutive four-week periods (each additional four-week period being a "*Renewal Term*"), unless notice of non-renewal is delivered by either LWV Consulting, LLC or the Company to the other party. The Interim CEO Consulting Agreement provides that LWV Consulting or Mr. Varner will be entitled to receive: (i) a weekly consulting cash fee of $15,000 during the Initial Term, pro-rated for any partial week; and (ii) an equity-based award for each full week completed during the Initial CEO Term in a form determined at the Board's discretion with a value as of the grant date equal to $5,000. During any Renewal Term, Mr. Varner will be entitled to receive (i) a weekly consulting cash fee of $11,250 during the Renewal Term, pro-rated for any partial week; and (ii) an equity-based award for each full week completed during the Renewal Term in a form determined at the Board's discretion with a value as of the grant date equal to $3,750, which Renewal Term amounts remain subject to change upon certain conditions as provided by the Interim CEO Consulting Agreement.

Mr. Varner has significant experience as a corporate executive and director in transition and turnaround situations. From June 2020 through November 2021, Mr. Varner was the Chief Executive Officer and a director of Select Interior Concepts, a publicly traded company focused on the building product space. Prior to that, from July 2012 to May 2018, he was Chief Executive Officer of United Subcontractors, Inc. ("*USI*"), an insulation services provider in the U.S. with revenues exceeding $500 million. During his tenure, he led a transformation of the business through organic growth and strategic transactions that resulted in USI achieving double digit EBITDA margins and an eventual sale, creating significant value for shareholders. From 2004 to 2012, Mr. Varner served as the President and Chief Executive Officer of Aquilex Corporation, a leading provider of specialty services to the energy sector. Under his leadership, the company grew revenues by fivefold and achieved record earnings. Prior to joining in 2004, Mr. Varner served as President for several global businesses in various industries orchestrating their growth in new markets through expansion of service and product offerings. He is a graduate of The Citadel in Charleston, South Carolina, and has served on various philanthropic, industry and community boards. He has also served as a director of Bartlett Holdings, Aquilex Inc., USI and The Identity Group, and currently serves on the Board of Directors of Acousti Engineering, a portfolio company of Ardian, a global private equity firm.

Appointment of Lawrence Hirsh. On January 24, 2022, the Company entered into a consulting agreement with LRHIRSH, LLC (the "*Hirsh Consulting Agreement*"). Under the terms of the Hirsh Consulting Agreement, LRHIRSH, LLC will cause Lawrence Hirsh, 59 to provide certain consulting services to the Company with respect to Company financial matters, for a term of four weeks (the "*Initial Consulting Term*"), which term shall automatically renew for two additional consecutive four-week periods (each additional four-week period being a "*Renewal Consulting Term*") unless notice of non-renewal is delivered by either Mr. Hirsh or the Company to the other party. The Hirsh Consulting Agreement provides that either LRHIRSH, LLC or Mr. Hirsh will be entitled to receive: (i) a weekly consulting cash fee of $7,500 during the Initial Consulting Term, pro-rated for any partial week; and (ii) an equity-based award for each full week completed during the Initial Consulting Term in a form determined at the Board's discretion with a value as of the grant date equal to $2,500. During any Renewal Consulting Term, Mr. Hirsh will be entitled to receive (i) a weekly consulting cash fee of $5,625 during the Renewal Consulting Term, pro-rated for any partial week; and (ii) an equity-based award for each full week completed during the Renewal Consulting Term in a form determined at the Board's discretion with a value as of the grant date equal to $1,875, which Renewal Consulting Term amounts remain subject to change upon certain conditions as provided by the Hirsh Consulting Agreement.

Mr. Hirsh has decades of experience as an advisor, corporate executive and director. He is an expert in corporate finance, capital markets, cost management and strategic planning for transformations. From 2002 through 2020, Mr. Hirsh was a Managing Director at Alvarez & Marsal, a leading professional services firm and provider of business consulting and interim management solutions. He has most recently served as Senior Advisor at Alvarez & Marsal. He has previously served as chairman and a director of companies that include Alert 360, Sierra Hamilton, The Identity Group, Deep Rock Water Company and Premier Care In Bathing.

James A. Barnes' Planned Retirement. James A. Barnes will continue to serve as Chief Financial Officer, Treasurer and Secretary of the Company until the earlier of his retirement or the naming of his replacement by the Company. In this regard, the Board of Directors has commenced a formal search to identify a highly qualified candidate to serve in the capacity of Chief Financial Officer.

Director Resignations

On January 23, 2022, Messrs. Patrick Kinsella and Jeffrey Kukowski resigned from their positions as members of the Board of Directors of the Company. In addition, on January 24, 2022, as disclosed above, Mr. Smith resigned as a member of the Board of Directors. Mr. Kinsella served as the Chairman of the Board of Directors and as Chairman of the Audit Committee, and Mr. Kukowski served as a member of the Compensation Committee. Mr. Wayne Walker, a current member of the Board of Directors, was appointed as Chairman of the Board.

Messrs. Smith, Kinsella and Kukowski's respective resignations from the Board of Directors are not due to any disagreement with respect to the Company's operations, policies, or practices.

The foregoing descriptions of the Separation Agreement, Interim CEO Consulting Agreement, and the Hirsh Consulting Agreement are qualified, in their entirety, by the full text of the Separation Agreement, Interim CEO Consulting Agreement and the Hirsh Consulting Agreement, copies of which are attached to this Current Report on Form 8-K as Exhibits 10.1, 10.2 and 10.3, respectively, and are incorporated by reference herein.

A copy of the press release issued by the Company regarding Management Restructuring is attached hereto as Exhibit 99.1

Item 9.01 Financial Statements and Exhibits.

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 26, 2022

WRAP TECHNOLOGIES, INC.

By: /s/ James A. Barnes
James A. Barnes
Chief Financial Officer, Treasurer and Secretary

Exhibit Index

Exhibit No.	*Description*
10.1	Separation Agreement between the Company and Mr. Smith, dated January 24, 2022.
10.2	Consulting Agreement between the Company and LWV Consulting, LLC, dated January 24, 2022.
10.3	Consulting Agreement between the Company and LRHIRSH, LLC, dated January 24, 2022.
99.1	Press Release dated January 24, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Exhibit 10.1

SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Separation Agreement and General Release of Claims (this "Agreement") is entered into by and between Thomas P. Smith ("Employee") and Wrap Technologies, Inc. (the "Company").

BACKGROUND

Reference is made to the At-Will Employment, Confidential Information, Non-Compete/Non-Solicitation, Invention Assignment and Arbitration Agreement effective as of September 8, 2020 by and between Employee and the Company (the "Restrictive Covenant Agreement").

Employee's employment with the Company ended due to Employee's resignation as of the Resignation Date (as defined below).

The parties wish for Employee to receive the severance benefits as set forth in this Agreement, which benefits are conditioned upon Employee's timely execution of this Agreement and Employee's compliance with the terms of this Agreement.

The parties wish to resolve any and all claims that Employee has or may have against the Company or any of the other Company Parties (as defined below), including any claims that Employee may have arising out of Employee's employment or the end of such employment.

AGREEMENT

In consideration of the promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto hereby acknowledge and agree as follows:

1. Resignation from Employment; Board Resignation. Employee's employment with the Company ended due to Employee's resignation on January 24, 2022 (the "Resignation Date"). As of the Resignation Date, Employee did not have any further employment relationship with the Company or any other Company Party. Employee acknowledges and agrees that, as of the Resignation Date, Employee resigned as: (a) an officer of the Company and each affiliate of the Company for which Employee served as an officer; and (b) from the Board of Directors of the Company. For the avoidance of doubt, Employee acknowledges and agrees that as of the Resignation Date, he no longer served as an officer or director of the Company or any of its affiliates.

2. Separation Benefits. Provided that Employee signs this Agreement on the Resignation Date and abides by each of Employee's commitments set forth herein, then the Company will:

(a) Make severance payments to Employee in a total amount equal to $300,000, which amount represents nine (9) months' worth of Employee's base salary as in effect immediately prior to the Resignation Date, (such total severance payments being referred to as the "***Severance Payment***"), which Severance Payment shall be paid in substantially equal installments on the Company's regular payroll dates between the Resignation Date and the date that is nine (9) months following the Resignation Date;

(b) Amend the terms and conditions of any equity-based awards granted to Employee pursuant to the Company's Amended 2017 Equity Compensation Plan, as amended June 22, 2021 (the "Equity Plan"), to provide that any equity-based awards outstanding on the Resignation Date will continue to vest in accordance with their terms through December 31, 2022 as if Employee had remained an employee of the Company through December 31, 2022. Any equity-based incentive awards that do not vest in accordance with their terms (as amended by this Section 2(b) on or prior to December 31, 2022 will be immediately forfeited for no consideration on December 31, 2022 and Employee will cease to have any rights thereunder;

(c) Amend the terms and conditions of any stock options granted to Employee pursuant to the Company's Equity Plan to provide that Employee may exercise any vested options (which shall include any stock options that are vested on the Resignation Date and any stock options that become vested in accordance with Section 2(b) hereof following the Resignation Date) through the earlier of (i) the first anniversary of the Resignation Date and (ii) the expiration date of such stock option;

(d) Provide Employee with a one-time payment of $100,000, which payment shall be provided in a lump sum no later than March 3, 2022; and

(e) During the portion, if any, of the period commencing on the Resignation Date and ending on December 31, 2022 (the "Reimbursement Period") that Employee elects to continue coverage for Employee and Employee's eligible dependents, if any, under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), reimburse Employee for the portion of the amount Employee pays to effect and continue such coverage that otherwise would have been paid by the Company had Employee remained an employee of the Company during the Reimbursement Period (the "COBRA Reimbursements"), which COBRA Reimbursements will be made by the Company to Employee consistent with the Company's normal expense reimbursement policy. Employee acknowledges and agrees that the election of continuation coverage pursuant to COBRA and providing any premiums due to the Company with respect to such continuation coverage will remain Employee's sole responsibility.

3 . Satisfaction of All Leaves and Payment Amounts; Prior Rights and Obligations. Employee expressly acknowledges and agrees that Employee has received all leaves (paid and unpaid) to which Employee has been entitled during Employee's employment with the Company or any other Company Party, and Employee has received all wages, bonuses and other compensation, been provided all benefits and been afforded all rights and been paid all sums that Employee is owed or has been owed by the Company or any other Company Party, including all payments arising out of all incentive plans and any other bonus arrangements (including the Restrictive Covenant Agreement). Notwithstanding the foregoing, Employee remains entitled to receive (if still unpaid as of the date that Employee signs this Agreement) Employee's base salary for services performed in the pay period in which the Resignation Date occurred. For the avoidance of doubt, Employee had no right to the consideration described in Section 2 above (or any portion thereof) but for Employee's entry into this Agreement and satisfaction of the terms herein.

4. General Release of Claims.

(a) For good and valuable consideration, including the consideration provided under Section 2 (and any portion thereof), Employee hereby releases, discharges and forever acquits the Company, its affiliates and each of the foregoing entities' respective past, present and future affiliates, stockholders, members, partners, directors, officers, managers, employees, agents, attorneys, heirs, successors and representatives, in their personal and representative capacities, as well as all employee benefit plans maintained by the Company or any of its respective affiliates or subsidiaries and all fiduciaries and administrators of any such plans, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and Employee hereby waives, any and all claims, damages, demands, or causes of action of any kind that Employee has or could have, whether known or unknown, against any Company Party, including any and all claims, damages, demands, or causes of action relating to Employee's employment relationship with any Company Party, the termination of such employment relationship, or any other acts or omissions related to any matter occurring or existing on or prior to the date that Employee executes this Agreement, including, (i) any alleged violation through such date of: (A) the Family and Medical Leave Act of 1993; (B) Title VII of the Civil Rights Act of 1964; (C) the Civil Rights Act of 1991; (D) Sections 1981 through 1988 of Title 42 of the United States Code; (E) the Americans with Disabilities Act of 1990; (F) the Employee Retirement Income Security Act of 1974 (" ERISA"); (G) the Immigration Reform Control Act; (H) the Americans with Disabilities Act of 1990; (I) the Occupational Safety and Health Act; (J) the National Labor Relations Act; (K) any federal, state or local anti-discrimination or anti-retaliation law; (L) any federal, state or local wage and hour law; (M) any other local, state or federal law, regulation or ordinance, including the Arizona Employment Protection Act, the Arizona Civil Rights Act, the Arizona Occupational Health and Safety Act, and the Arizona Medical Marijuana Act; and (N) any public policy, contract, tort, or common law claim; (ii) any allegation for costs, fees, or other expenses including attorneys' fees incurred in, or with respect to, a Released Claim; (iii) any and all rights, benefits or claims Employee may have under any employment contract (including the Restrictive Covenant Agreement), incentive compensation plan or equity-based plan with any Company Party; (iv) any claim (whether direct or derivative) arising from, or relating to, Employee's status as a holder of any interests in the Company or any of its subsidiaries; and (v) any claim for compensation or benefits of any kind not expressly set forth in this Agreement (collectively, the "Released Claims"). THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

(b) The Released Claims do not include any claims to the consideration described in Section 2 above or any rights that may first arise after the date that Employee executes this Agreement nor any claim to enforce the terms of this Agreement. In no event shall the Released Claims include any claim to vested benefits under an employee benefit plan of the Company that is subject to ERISA. Further notwithstanding this release of liability, nothing in this Agreement prevents Employee from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("EEOC") or other governmental agency or participating in any investigation or proceeding conducted by the EEOC, Securities and Exchange Commission, or other governmental agency or cooperating with such agency; *provided*, *however*, that Employee is waiving (to the extent permitted by law) any and all rights to recover any monetary or personal relief from a Company Party as a result of such EEOC or other governmental agency proceeding or subsequent legal actions. Nothing herein releases Employee's right to receive an award for information provided to a governmental agency.

(c) Employee hereby represents and warrants that, as of the time Employee executes this Agreement, Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency or arbitrator for or with respect to a matter, claim or incident that occurred or arose out of one or more occurrences that took place on or prior to the time at which Employee signs this Agreement. Employee hereby further represents that Employee has not assigned, sold, delivered, transferred or conveyed any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims.

5. Employee's Acknowledgements. By executing and delivering this Agreement, Employee expressly acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had sufficient time to review and consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been advised, and hereby is advised in writing, to discuss this Agreement with an attorney of Employee's choice and Employee has had adequate opportunity to do so prior to executing this Agreement;

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated within the four corners of this document; and Employee is signing this Agreement knowingly, voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement; and

(e) No Company Party has provided any tax or legal advice regarding this Agreement and Employee has had an adequate opportunity to receive sufficient tax and legal advice from advisors of Employee's own choosing such that Employee enters into this Agreement with full understanding of the tax and legal implications thereof.

6. Affirmation of Covenants; Non-Disparagement.

(a) Employee acknowledges and agrees that in connection with Employee's employment with the Company, Employee has obtained Company Confidential Information (as defined in the Restrictive Covenant Agreement), and that Employee has continuing obligations to the Company and the other Company Parties pursuant to Sections 2, 3, and 7 of the Restrictive Covenant Agreement (the "Continuing Covenants"). In entering into this Agreement, Employee acknowledges the continued effectiveness and enforceability of the Restrictive Covenants and expressly reaffirms Employee's commitment to abide by the terms and conditions of the Continuing Covenants.

(b) Employee agrees not to disparage the Company or any other, Company Party or otherwise take any action which could reasonably be expected to adversely affect the personal or professional reputation of any Company Party. No later than the Resignation Date, the Company will instruct its directors and executive officers not to disparage Employee. This Agreement will not prohibit Employee or any Company Party from making any disclosure required by law, engaging in the legal process, making disclosures to governmental authorities or otherwise permitted as set forth in Section 11 of the Restrictive Covenant Agreement, or providing truthful testimony in response to a subpoena or in any legal proceeding.

7. **Continued Cooperation**. Following the Resignation Date, Employee agrees to cooperate fully with the Company and each of its affiliates regarding any matter, event, or issue relating to Employee's employment with the Company, occurring during Employee's employment with the Company, or relating to Employee's knowledge of the Company and its business. Employee acknowledges and agrees that such cooperation shall include, without limitation, being available to meet with the Company or its attorneys, investors, customers, suppliers, or other third parties; preparing for, traveling to, attending, and participating in any proceeding; serving as a witness in connection with any litigation or other legal proceeding affecting the Company or any of its affiliates; providing truthful affidavits, declarations, and testimony; and assisting with any audit, inspection, or other inquiry. In performing such services, Employee agrees to cooperate with the Company in all respects. If any inquiry is made of Employee regarding Company matters, including from customers, vendors, employees, or other third-parties, Employee agrees to direct such inquiries to an individual (or individuals) directed in writing by the Company, which individuals as of the Resignation Date shall be Bill Varner or Lawrence Hirsh. In seeking Employee's cooperation in conformance with this paragraph, the Company agrees to do so in a reasonable manner that avoids disruptions to Employee's business or personal obligations. The Company shall pay reasonable expenses that are pre-approved by the Company and incurred by Employee, as necessary for Employee to comply with this provision.

8. **Entire Agreement; Amendments**. This Agreement (and, as referenced herein, the Restrictive Covenant Agreement) constitutes the entire agreement between the parties with respect to the matters herein provided; provided, however, this Agreement is in addition to and complements (and does not supersede or replace) all of Employee's obligations to the Company and the other Company Parties with regard to confidentiality, non-disclosure, and return of property (regardless of whether such obligations arise by contract, statute, common law, or otherwise). No modifications or waiver of any provision hereof shall be effective unless in writing and signed by each party.

9. **Governing Law and Arbitration**. The validity, interpretation, construction, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflicts of law. Any dispute arising out of or relating to this Agreement shall be subject to the arbitration and dispute resolution provisions set forth in Section 9 of the Restrictive Covenant Agreement. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY OR A COURT TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

10. **Assignment; Third-Party Beneficiaries**. This Agreement is personal to Employee and may not be assigned by Employee. The Company has the right to assign this Agreement to any affiliate or successor. This Agreement inures to the benefit of the successors and assigns of the Company, who are intended third party beneficiaries of this Agreement. Each Company Party that is not a signatory hereto is an intended third-party beneficiary of Employee's release and representations herein, and shall be entitled to enforce such release and representations as if a party hereto.

11. **Headings; Interpretation**. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references herein to laws, regulations, contracts, agreements, instruments and other documents shall be deemed to refer to such laws, regulations, agreements, instruments and other documents as they may be amended, supplemented, modified and restated from time to time, and references to particular provisions of laws or regulations include a reference to the corresponding provisions of any succeeding law or regulation. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including exhibits, and not to any particular provision hereof. All references to "including" shall be construed as meaning "including without limitation." Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties.

12. **Return of Property**. Employee represents and warrants that Employee has returned to the Company all property belonging to the Company and any of its affiliates, including all computer files and other electronically stored information, client materials, electronically stored information and other materials provided to Employee by the Company or any of its affiliates in the course of Employee employment and Employee further represents and warrants that Employee has not maintained a copy of any such materials in any form.

13. **No Waiver**. No failure by any party at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

14. **Severability and Modification**. To the extent permitted by applicable law, any term or provision of this Agreement (or part thereof) that renders such term or provision (or part thereof) or any other term or provision (or part thereof) of this Agreement invalid or unenforceable in any respect shall be severable and shall be modified or severed to the extent necessary to avoid rendering such term or provision (or part thereof) invalid or unenforceable, and such severance or modification shall be accomplished in the manner that most nearly preserves the benefit of the parties' bargain hereunder.

15. **Withholding of Taxes and Other Employee Deductions**. The Company may withhold from any payments made pursuant to this Agreement all federal, state, local, and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling.

16. **Counterparts**. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

17. **Section 409A**. Neither this Agreement nor the payments provided hereunder are intended to constitute "deferred compensation" subject to the requirements of Section 409A of the Internal Revenue Code of 1986 and the Treasury regulations and interpretive guidance issued thereunder (collectively, "Section 409A"), and this Agreement shall be construed and administered in accordance with such intent. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Notwithstanding the foregoing, the Company makes no representations that this Agreement or the payments provided under this Agreement complies with or is exempt from the requirements of Section 409A and in no event shall the Company or any other Company Party be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

[*Signatures begin on the following page*]

The parties have executed this Agreement with the intent to be legally bound.

THOMAS P. SMITH

_____
Thomas P. Smith

Date: _____

WRAP TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____
Date: _____

Exhibit 10.2

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "Agreement") is made and entered into as of January 24, 2022 (the "Effective Date") by and between Wrap Technologies, Inc., a Delaware corporation (the "Company") and LWV Consulting, LLC ("Consultant"). LW Varner, Jr. (" Varner") enters into this Agreement for purposes of acknowledging and agreeing to Sections 2, Sections 6 through 9, and those Sections herein necessary to interpret and apply them. The Company, Consultant and Varner are sometimes referred to in this Agreement collectively as the "Parties," and individually as a "Party."

WHEREAS, the Company wishes to engage Consultant to provide certain consulting services in which Consultant will cause Varner will serve as its interim Principal Executive Officer, and Consultant wishes to provide such services, and the Company, Consultant and Varner wish to memorialize the terms and conditions of such relationship.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Engagement; Term. Unless earlier terminated pursuant to Section 5, the initial term of Consultant's engagement under this Agreement shall be for the period beginning on the Effective Date and ending on the date that is four (4) weeks after the Effective Date (the "Initial Term"). Upon the expiration of the Initial Term, and on the date that is one month thereafter, the term of Consultant's engagement under this Agreement shall automatically renew and extend for a period of four (4) weeks (each such four-week period being a "Renewal Term") unless written notice of non-renewal is delivered by either Party to the other Party not less than fourteen (14) days prior to the expiration of the then-existing Initial Term or Renewal Term, as applicable. The term that Consultant is engaged hereunder is referred to as the "Term." For the avoidance of doubt, unless the Parties mutually agree in writing (and unless the Term has been earlier terminated), there will be no automatic renewal following a second Renewal Term, and this Agreement (and the Term) will automatically terminate twelve (12) weeks following the Effective Date.

2. Consulting Services. During the Term, Consultant shall provide such consulting services (the "Consulting Services") as may be reasonably requested of Consultant from time to time by the Company. The Consulting Services shall include Consultant's: (i) causing Varner to serve as the Company's Principal Executive Officer and, in such capacity, providing consultation and advice with respect to the Company's management and operations, and (ii) providing such other services as the Board of Directors of the Company (the "Board") may reasonably request from time to time; provided, however, in the event that a new Chief Executive Officer begins employment with the Company during the Term, Varner shall no longer serve as the Company's Principal Executive Officer during any remaining portion of the Term. During the Term, unless otherwise requested by the Company, Consultant and Varner are expected to provide their full business time to providing the Consulting Services, and Consultant agrees (unless otherwise requested by the Board) to cause Varner to spend at least four business days per week in the Phoenix, Arizona area in order to perform the Consulting Services. Consultant agrees to attend, and to cause Varner to attend, such meetings as the Board may reasonably request for proper communication of Consultant's advice and consultation and performance of Consultant's services.

3. Consulting Fee.

(a) In consideration of Consultant's performance of the Consulting Services during the Initial Term, the Company shall compensate Consultant as follows: (i) the Company will provide Consultant with a consulting fee at the rate of $15,000 per complete calendar week (pro-rated for partial calendar weeks) that the Term is in effect during the Initial Term; and (ii) for each complete week that the Term is in effect during the Initial Term, the Company will provide Varner, in satisfaction of Consultant's services to the Company, with an equity-based award in a form determined at the Board's discretion (which award may be in the form of shares of the Company's common stock, restricted stock units, or options to purchase the Company's common stock) with a value as of the grant date equal to $5,000 (which awards shall have a pro-rated value for any partial week that the Term is in effect during the Initial Term) such that, after giving effect to the compensation referenced in parts (i) and (ii) of this sentence, Consultant and Varner, collectively, will receive compensation with a value (as of the grant date of the applicable equity-based award) of $20,000 for each complete week that the Term is in effect within the Initial Term (such compensation, the "Initial Term Consulting Fee").

(b) In consideration of Consultant's performance of the Consulting Services during any Renewal Term, the Company shall compensate Consultant as follows for Consultant's Consulting Services during each Renewal Term: (i) the Company will provide Consultant with a consulting fee at the rate of $11,250 per complete calendar week (pro-rated for partial calendar weeks) that the Term is in effect during such Renewal Term; and (ii) for each complete week that the Term is in effect during such Renewal Term, the Company will provide Varner, in satisfaction of Consultant's services to the Company, with an equity-based award in a form determined at the Board's discretion (which award may be in the form of shares of the Company's common stock, restricted stock units, or options to purchase the Company's common stock) with a value as of the grant date equal to $3,750 (which awards shall have a pro-rated value for any partial week that the Term is in effect during such Renewal Term) such that, after giving effect to the compensation referenced in parts (i) and (ii) of this sentence, Consultant and Varner, collectively, will receive compensation with a value (as of the grant date of the applicable equity-based award) of $15,000 for each complete week that the Term is in effect within a Renewal Term (such compensation, the "Renewal Term Consulting Fee"). Notwithstanding the foregoing, if the Company and Consultant agree in writing (in a writing that specifically references this Section 3(b)) within two (2) business days prior to the end of the Initial Term or any Renewal Term that the amount of Consulting Services required of Consultant in the immediately succeeding Renewal Term will be to the same or greater extent (with respect to both devotion of Consultant's business time and effort) as required during the Initial Term, then in lieu of the Renewal Term Consulting Fee for such succeeding Renewal Term, Consultant shall receive the Initial Term Consulting Fee for such succeeding Renewal Term.

(c) Within five (5) days following the end of each calendar week that the Term is in effect, the Company shall pay or grant, as applicable, Consultant and Varner, as applicable, the total Initial Term Consulting Fees or Renewal Term Consulting Fees, as applicable, for such calendar week. Consultant acknowledges and agrees that (i) the Company is not required to withhold federal or state income, gross receipts, or similar taxes from the compensation paid to Consultant or Varner hereunder or to otherwise comply with any state or federal law concerning the collection of income, gross receipts, or similar taxes at the source of payment of wages, (ii) the Company is not required under the Federal Unemployment Tax Act or the Federal Insurance Contribution Act to pay or withhold taxes for unemployment compensation or for social security on behalf of Consultant or Varner with respect to the compensation paid hereunder, and (iii) the Company is not required under the laws of any state to obtain workers' compensation insurance or to make state unemployment compensation contributions on behalf of Consultant or Varner.

4. Expense Reimbursement. The Company shall reimburse Consultant for all reasonable and documented, pre-approved, out-of-pocket expenses actually incurred by Consultant in the performance of the Consulting Services hereunder, including first-class or business-class (when available) air travel. On a bi-weekly basis while the Term is in effect, Consultant shall itemize, and provide proper supporting documentation for, the expenses for which he seeks reimbursement for the previous bi-weekly period. The Company shall provide the reimbursement for such properly incurred and invoiced expenses within ten (10) days of its receipt of such invoice.

5. Termination.

(a) Notwithstanding Section 1 above, (i) the Company may terminate this Agreement (and thus end the Term) at any time and for any reason or no reason at all upon five (5) days' prior written notice to Consultant; and (ii) Consultant may terminate this Agreement (and thus end the Term) at any time and for any reason or no reason at all upon fourteen (14) days' prior written notice to the Company. In addition, the Company may terminate this Agreement (and thus end the Term) at any time upon notice to Consultant for Cause, and this Agreement (and the Term) shall end upon Varner's death. As used herein, "Cause" shall mean (a) a breach by Consultant or Varner of Consultant's or Varner's obligations under this Agreement, or a breach of any other obligation that Consultant or Varner owes to the Company or any of its affiliates, (b) a violation of any law in the course of performing the Consulting Services, or (c) Consultant's or Varner's indictment, conviction of, plea of no contest to, or receipt of deferred adjudication or unadjudicated probation for any felony or any crime involving moral turpitude.

(b) In the event that the Company terminates this Agreement (and thus ends the Term) other than for Cause (and not due to Varner's death) or due to non-renewal for a Renewal Term following the end of the Initial Term such that the Term ends on a date that is prior to the date that is twelve (12) weeks after the Effective Date, then so long as (and only if) Consultant and Varner: (A) execute and return to the Company in the time provided by the Company to do so, and do not revoke within any time provided by the Company to do so, a release of all claims in a form acceptable to the Company (the "Release"), which Release shall release the Company and each of its affiliates, and each of the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Consultant's and Varner's engagement, or affiliation with the Company and each of its affiliates or the termination of such engagement or affiliation; and (B) abides by the terms of Section 7 below, then the Company shall make a payment or grant, as applicable, to Consultant in a total amount equal to the amount of compensation that Consultant would have received between the date that the Term terminates and the date that is twelve (12) weeks after the Effective Date had Consultant remained engaged by the Company and received the applicable compensation referenced in Section 3(a) or 3(b) above during such period, with all such payments or grants attributable to periods following the date that is four (4) weeks after the Effective Date being paid at the Renewal Term Consulting Fee rate (such total amount due to be paid or granted pursuant to this Section 5(b) being referred to as the "Termination Payment") as if the Term had remained in effect during such period. The Termination Payment will be paid, or granted (as applicable), in a lump sum or single grant on the first business day that comes on or after the date that is sixty (60) days after the Term ends.

(c) For the avoidance of doubt, Consultant shall not be entitled to the Termination Payment, or any portion thereof, if the Term ends: (i) at any time upon or following the date that is twelve (12) weeks following the Effective Date, (ii) due to the Company's termination of this Agreement for Cause, or (iii) as a result of Consultant's resignation or non-renewal of this Agreement, or Varner's death.

6. Independent Contractor. At all times during the Term, Consultant shall be an independent contractor of the Company. In no event shall Consultant or Varner be deemed to be an employee of the Company or any of its affiliates, and Consultant and Varner shall not at any time be entitled to any employment rights or benefits from the Company or any of its affiliates. Consultant and Varner each acknowledges and agrees that, as a non-employee, neither Consultant nor Varner is eligible for any benefits sponsored by the Company or any of its affiliates. Consultant shall be solely responsible for making all applicable tax filings and remittances with respect to amounts paid to Consultant pursuant to this Agreement and shall indemnify and hold harmless the Company and its affiliates, and the foregoing entities' respective representatives, for all claims, damages, costs and liabilities arising from Consultant's failure to do so. It is not the purpose or intention of this Agreement or the Parties to create, and the same shall not be construed as creating, any partnership, partnership relation, joint venture, agency, or employment relationship.

7. Confidentiality and Non-Disclosure; Non-Disparagement; Non-Solicitation.

(a) Through the performance of the Consulting Services hereunder, Consultant and Varner shall have access to confidential or proprietary information of the Company or its affiliates, including some or all of the following documents, materials or information of the Company or any of its affiliates (collectively the "Confidential Information"): (i) business strategies, corporate opportunities, research, financial and sales data, pricing terms, evaluations, opinions, interpretations and acquisition prospects, (ii) information relating to the identity of acquisition targets, customers or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, (iii) information about development, production, marketing and merchandising plans or techniques, (iv) customer and supplier lists, prospective customer information, current and anticipated customer requirements, distribution networks, price lists, market studies and business plans, (v) historical and projected sales data, financial data and projections, capital spending budgets and operating budgets, (vi) employee and agent training techniques and materials and personnel files, (vii) research and development plans or results, and (viii) all other non-public information that gives the Company or any of its affiliates a competitive advantage by virtue of its not being publicly known.

(b) Consultant and Varner each hereby acknowledges and agrees that the protection of the Confidential Information is necessary to protect and preserve the value of the Company and its affiliates and the Company's and its affiliates' business. Accordingly, subject to the provisions of Section 7(c) and Section 7(d) below, Consultant and Varner each hereby covenants and agrees that, without the prior written consent of the Board, Consultant and Varner shall not directly or indirectly disclose any Confidential Information to any person or entity outside of the Company and shall not use any Confidential Information other than for the purpose of performing the Consulting Services hereunder.

(c) The provisions of Section 7(b) shall not apply to information (i) that is or becomes generally known to, and available for use by, the public other than as a result of the breach of this Agreement or any other obligation that Consultant or Varner owes the Company or any of its affiliates, (ii) that is available to Consultant on a non-confidential basis from a source that is not prohibited from disclosing such information to Consultant by a contractual, legal, or fiduciary obligation to the Company or any of its affiliates, (iii) that is required to be disclosed by applicable law, or (iv) the disclosure of which by Consultant or Varner is reasonably necessary for Consultant to satisfy and perform Consultant's obligations under this Agreement. If Consultant or Varner becomes compelled by applicable law or court or arbitrator's order to disclose any Confidential Information, Consultant or Varner shall provide the Company with prompt written notice of such requirement so that the Company may seek a protective order or other remedy prior to, and in respect of, such disclosure. If such a protective order or other remedy is not obtained by, or is not available to the Company, then Consultant or Varner shall use commercially reasonable efforts to ensure that only the minimum portion of such Confidential Information that is legally required to be disclosed is so disclosed, and Consultant shall use commercially reasonable efforts to obtain assurances that confidential treatment shall be given to such Confidential Information.

(d) Nothing herein shall prevent Consultant or Varner from: (i) making a good faith report of possible violations of applicable law to any governmental agency or entity, including the Securities and Exchange Commission ("SEC"); (ii) or making disclosures that are protected under the whistleblower provisions of applicable law. Nothing in this Agreement requires Consultant or Varner to obtain prior authorization before engaging in any conduct described in the previous sentence, or to notify the Company that Consultant or Varner has engaged in any such conduct. Further, Varner shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Varner files a lawsuit for retaliation for reporting a suspected violation of law, Varner may disclose the trade secret to Varner's attorney and use the trade secret information in the court proceeding, if Varner (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

(e) Consultant and Varner each agrees, both during the Term and thereafter, not to disparage the Company, its affiliates, or their respective products, services, board(s) of directors, officers, or representatives, or otherwise take any action which could reasonably be expected to adversely affect the personal or professional reputation of any such person or entity. Notwithstanding the foregoing, this Section 7(e) shall not prevent any disclosures or statements required by applicable law or legal process, or made to a governmental agency, or otherwise permitted by Section 7(d) above.

(f) Consultant and Varner each further agrees, both during the Term and continuing for a period that is twelve (12) months thereafter, not to directly or indirectly solicit, canvass, approach, encourage, entice or induce any employee or contractor of the Company or any of its affiliates to terminate his, her or its employment or engagement with the Company or any of its affiliates.

(g) Consultant and Varner each acknowledges that the restrictions set forth in this Section 7 are reasonable in all respects, will not cause Consultant or Varner undue hardship, and are necessary to protect the Company's legitimate business interests, including the preservation of its goodwill, employee and contractor relationships, and Confidential Information. Consultant and Varner each further acknowledges that any breach of the covenants set forth in this Section 7 would cause the Company irreparable harm, and the Company shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach, by injunctions and restraining orders, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company, at law and equity.

8. Ownership by the Company. If, during the Term, Consultant or Varner creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's or its affiliates' business, products or services, whether such work is created solely by Consultant or Varner or jointly with others, the Company, or such affiliate of the Company as is designated by the Company, shall be deemed the author of such work if the work is prepared by Consultant or Varner in the scope of Consultant providing (including through Varner performing) the Consulting Services. Consultant and Varner each hereby assigns all of Consultant's and Varner's worldwide right, title and interest in and to any such work, and shall reasonably assist the Company in the protection of the Company's worldwide right, title and interest in and to such work.

9. Dispute Resolution; Applicable Law; Arbitration.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Delaware without reference to the principles of conflicts of law thereof.

(b) Any dispute, controversy or claim between Consultant or Varner, on the one hand, and the Company on the other hand, arising out of or relating to this Agreement ("***Disputes***") shall be finally settled by arbitration in Wilmington, Delaware before, and in accordance with the rules for the resolution of disputes then in effect of, the American Arbitration Association ("***AAA***"). The arbitration award shall be final and binding on the parties. Each side shall share equally the cost of the arbitration and bear its own costs and attorneys' fees incurred in connection with any arbitration, unless the Arbitrator (as defined below) determines that compelling reasons exist for allocating all or a portion of such costs and fees to the other side.

(c) Any arbitration conducted under this Section 9 shall be heard by a single arbitrator (the "***Arbitrator***") selected in accordance with the then-applicable rules of the AAA. The Arbitrator shall expeditiously hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony, and evidence as he or she deems relevant to the dispute before him or her (and each party shall provide such materials, information, testimony, and evidence requested by the Arbitrator, except to the extent any information so requested is proprietary, subject to a third-party confidentiality restriction, or subject to an attorney-client or other privilege), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be reasoned, rendered in writing, final and binding upon the disputing parties and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction. All Disputes shall be arbitrated on an individual basis, and each party hereto hereby foregoes and waives any right to arbitrate any Dispute as a class action or collective action or on a consolidated basis or in a representative capacity on behalf of other persons or entities who are claimed to be similarly situated, or to participate as a class member in such a proceeding. This arbitration agreement is subject to the Federal Arbitration Act, 9 U.S.C. §1 et seq.

(d) Notwithstanding the foregoing, Consultant, Varner and the Company further acknowledge and agree that this Section 9 shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration; *provided, however*, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Section 9.

(e) For the purposes of any judicial proceedings ancillary to an arbitration under thisSection 9 (including but not limited to a pre-arbitral injunction to maintain the status quo or prevent irreparable harm), each of the parties hereto hereby consents to personal jurisdiction, the service of process and venue in the federal and state courts (as applicable) sitting in Wilmington, Delaware and hereby irrevocably agrees that any such judicial proceedings may be heard and determined in any such state court or, to the extent permitted by law, in such federal court. With respect to any claim or dispute related to or arising out of this Agreement, THE PARTIES EXPRESSLY, KNOWINGLY, AND VOLUNTARILY WAIVE THEIR RIGHTS TO A JURY TRIAL.

10. Indemnification and Limitation of Liability.

(a) The Company agrees to indemnify and hold harmless Consultant and Varner individually (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including the reasonable costs for counsel or others in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent: (i) resulting primarily and directly from such Indemnified Party's gross negligence or willful misconduct, or (ii) arising from a dispute between the Company or its affiliate, on the one hand, and Consultant or Varner on the other hand. The Company also agrees that (1) no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of Consultant except to the extent that any such liability for losses, claims, damages, liabilities or expenses result primarily and directly from such Indemnified Party's gross negligence or willful misconduct or breach of this Agreement, and (2) in no event will any Indemnified Party have any liability to the Company for special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity). The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.

(b) If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.

(c) In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found by a court or arbitrator of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.

11. Entire Agreement; Amendments. This Agreement constitutes the entire and final agreement between the Parties with respect to the subject matters hereof; provided, however, that nothing herein supersedes or replaces any agreement between Consultant or Varner and the Company or any of its affiliates with respect to non-disclosure, confidentiality, non-competition or non-solicitation, as all such agreements will remain in full force and effect. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the Parties.

12. Waiver. Any waiver of a provision of this Agreement shall be effective only if it is in a writing signed by the Party entitled to enforce such term and against which such waiver is to be asserted. No delay or omission on the part of either Party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

13. Assignments; Successors. This Agreement is personal to Consultant and Varner and, as such, may not be assigned by Consultant or Varner. The Company may assign this Agreement without Consultant's consent, including to any affiliate. Subject to the preceding sentences, this Agreement shall apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.

14. Notices. All notices, requests, demands, claims and other communications permitted or required to be given hereunder must be in writing and shall be deemed duly given and received (a) if personally delivered, when so delivered, (b) if mailed, three business days following the date deposited in the U.S. mail, certified or registered mail, return receipt requested, (c) if sent by e-mail or other form of electronic communication, once transmitted and the confirmation is received, or (d) if sent through an overnight delivery service in circumstances to which such service guarantees next day delivery, the day following being so sent:

If to Consultant, addressed to:

LWV Consulting, LLC
2700 N Ocean Drive Unit 1802A
Singer Island, FL 33404

If to Varner, addressed to:

LW Varner, Jr.
2700 N Ocean Drive Unit 1802A
Singer Island, FL 33404

If to the Company, addressed to:

Wrap Technologies, Inc.
1817 W 4th Street
Tempe, AZ 85281
Attn: Wayne R. Walker, Chairman of the Board

15. Certain Construction Rules. The Section headings contained in this Agreement are for convenience of reference only and shall in no way define, limit, extend or describe the scope or intent of any provisions of this Agreement. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. In addition, as used in this Agreement, unless otherwise provided to the contrary, (a) all references to days, months or years shall be deemed references to calendar days, months or years and (b) any reference to a "Section" shall be deemed to refer to a section of this Agreement. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specifically provided for herein, the term "or" shall not be deemed to be exclusive, and the term "including" shall not be deemed to limit the language preceding such term. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

16. Execution of Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original copy and all of which, when taken together, shall be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or e-mail transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or e-mail shall be deemed to be their original signatures for all purposes.

17. Code Section 409A. Notwithstanding anything to the contrary contained herein, this Agreement and the payments hereunder are intended to satisfy or be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations and other guidance thereunder (collectively, "Section 409A"). Accordingly, all provisions herein, or incorporated by reference herein, shall be construed and interpreted to satisfy or be exempt from the requirements of Section 409A. Further, for purposes of Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. Any reimbursement or in-kind benefit provided under this Agreement that constitutes a "deferral of compensation" within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

[REMAINDER OF PAGE LEFT BLANK
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Consulting Agreement, effective for all purposes as provided above.

WRAP TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____
Date: _____

LWV CONSULTING, LLC

_____
LW Varner, Jr.
Member

_____
Date

With respect to Sections 2, Sections 6 through 9, and those Sections above necessary to interpret and apply them:

LW VARNER, JR.

_____
LW Varner, Jr.

_____
Date

Exhibit 10.3

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "Agreement") is made and entered into as of January 24, 2022 (the "Effective Date") by and between Wrap Technologies, Inc., a Delaware corporation (the "Company") and LRHIRSH, LLC ("Consultant"). Lawrence Hirsh ("Hirsh") enters into this Agreement for purposes of acknowledging and agreeing to Sections 2, Sections 6 through 9, and those Sections herein necessary to interpret and apply them. The Company, Consultant and Hirsh are sometimes referred to in this Agreement collectively as the "Parties," and individually as a "Party."

WHEREAS, the Company wishes to engage Consultant to provide certain consulting services in which Consultant will provide consultation with respect to the Company's finance functions, and Consultant wishes to provide such services, and the Company and Consultant wish to memorialize the terms and conditions of such relationship.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Engagement; Term. Unless earlier terminated pursuant to Section 5, the initial term of Consultant's engagement under this Agreement shall be for the period beginning on the Effective Date and ending on the date that is four (4) weeks after the Effective Date (the "Initial Term"). Upon the expiration of the Initial Term, and on the date that is one month thereafter, the term of Consultant's engagement under this Agreement shall automatically renew and extend for a period of four (4) weeks (each such four-week period being a "Renewal Term") unless written notice of non-renewal is delivered by either Party to the other Party not less than fourteen (14) days prior to the expiration of the then-existing Initial Term or Renewal Term, as applicable. The term that Consultant is engaged hereunder is referred to as the "Term." For the avoidance of doubt, unless the Parties mutually agree in writing (and unless the Term has been earlier terminated), there will be no automatic renewal following a second Renewal Term, and this Agreement (and the Term) will automatically terminate twelve (12) weeks following the Effective Date.

2. Consulting Services. During the Term, Consultant shall provide such consulting services (the "Consulting Services") as may be reasonably requested of Consultant from time to time by the Company. The Consulting Services shall include Consultant's: (i) causing Hirsh to provide consultation and advice with respect to Company financial matters, and (ii) providing such other services as the Board of Directors of the Company (the "Board") may reasonably request from time to time. Consultant agrees to attend, and to cause Hirsh to attend, such meetings as the Board may reasonably request for proper communication of Consultant's advice and consultation and performance of Consultant's services. The Parties agree that Consultant is free to provide services to other entities during the Term as long as such services do not prohibit Consultant from satisfying its duties hereunder, and do not otherwise violate the terms of this Agreement.

3. Consulting Fee.

(a) In consideration of Consultant's performance of the Consulting Services during the Initial Term, the Company shall compensate Consultant as follows: (i) the Company will provide Consultant with a consulting fee at the rate of $7,500 per complete calendar week (pro-rated for partial calendar weeks) that the Term is in effect during the Initial Term; and (ii) for each complete week that the Term is in effect during the Initial Term, the Company will provide Hirsh, in satisfaction of Consultant's services to the Company, with an equity-based award in a form determined at the Board's discretion (which award may be in the form of shares of the Company's common stock, restricted stock units, or options to purchase the Company's common stock) with a value as of the grant date equal to $2,500 (which awards shall have a pro-rated value for any partial week that the Term is in effect during the Initial Term) such that, after giving effect to the compensation referenced in parts (i) and (ii) of this sentence, Consultant and Hirsh, collectively, will receive compensation with a value (as of the grant date of the applicable equity-based award) of $10,000 for each complete week that the Term is in effect within the Initial Term (such compensation, the "Initial Term Consulting Fee").

(b) In consideration of Consultant's performance of the Consulting Services during any Renewal Term, the Company shall compensate Consultant as follows for Consultant's Consulting Services during each Renewal Term: (i) the Company will provide Consultant with a consulting fee at the rate of $5,625 per complete calendar week (pro-rated for partial calendar weeks) that the Term is in effect during such Renewal Term; and (ii) for each complete week that the Term is in effect during such Renewal Term, the Company will provide Hirsh, in satisfaction of Consultant's services to the Company, with an equity-based award in a form determined at the Board's discretion (which award may be in the form of shares of the Company's common stock, restricted stock units, or options to purchase the Company's common stock) with a value as of the grant date equal to $1,875 (which awards shall have a pro-rated value for any partial week that the Term is in effect during such Renewal Term) such that, after giving effect to the compensation referenced in parts (i) and (ii) of this sentence, Consultant and Hirsh, collectively, will receive compensation with a value (as of the grant date of the applicable equity-based award) of $7,500 for each complete week that the Term is in effect within a Renewal Term (such compensation, the "Renewal Term Consulting Fee"). Notwithstanding the foregoing, if the Company and Consultant agree in writing (in a writing that specifically references this Section 3(b)) within two (2) business days prior to the end of the Initial Term or any Renewal Term that the amount of Consulting Services required of Consultant in the immediately succeeding Renewal Term will be to the same or greater extent (with respect to both devotion of Consultant's business time and effort) as required during the Initial Term, then in lieu of the Renewal Term Consulting Fee for such succeeding Renewal Term, Consultant shall receive the Initial Term Consulting Fee for such succeeding Renewal Term.

(c) Within five (5) days following the end of each calendar week that the Term is in effect, the Company shall pay or grant, as applicable, Consultant and Hirsh, as applicable, the total Initial Term Consulting Fees or Renewal Term Consulting Fees, as applicable, for such calendar week. Consultant acknowledges and agrees that (i) the Company is not required to withhold federal or state income, gross receipts, or similar taxes from the compensation paid to Consultant or Hirsh hereunder or to otherwise comply with any state or federal law concerning the collection of income, gross receipts, or similar taxes at the source of payment of wages, (ii) the Company is not required under the Federal Unemployment Tax Act or the Federal Insurance Contribution Act to pay or withhold taxes for unemployment compensation or for social security on behalf of Consultant or Hirsh with respect to the compensation paid hereunder, and (iii) the Company is not required under the laws of any state to obtain workers' compensation insurance or to make state unemployment compensation contributions on behalf of Consultant or Hirsh.

4. Expense Reimbursement. The Company shall reimburse Consultant for all reasonable and documented, pre-approved, out-of-pocket expenses actually incurred by Consultant in the performance of the Consulting Services hereunder, including first-class or business-class (when available) air travel. On a bi-weekly basis while the Term is in effect, Consultant shall itemize, and provide proper supporting documentation for, the expenses for which Consultant seeks reimbursement for the previous bi-weekly period. The Company shall provide the reimbursement for such properly incurred and invoiced expenses within ten (10) days of its receipt of such invoice.

5. Termination.

(a) Notwithstanding Section 1 above, (i) the Company may terminate this Agreement (and thus end the Term) at any time and for any reason or no reason at all upon five (5) days' prior written notice to Consultant; and (ii) Consultant may terminate this Agreement (and thus end the Term) at any time and for any reason or no reason at all upon fourteen (14) days' prior written notice to the Company. In addition, the Company may terminate this Agreement (and thus end the Term) at any time upon notice to Consultant for Cause, and this Agreement (and the Term) shall end upon Consultant's death. As used herein, "Cause" shall mean (a) a breach by Consultant or Hirsh of Consultant's or Hirsh's obligations under this Agreement, or a breach of any other obligation that Consultant or Hirsh owes to the Company or any of its affiliates, (b) a violation of any law in the course of performing the Consulting Services, or (c) Consultant's or Hirsh's indictment, conviction of, plea of no contest to, or receipt of deferred adjudication or unadjudicated probation for any felony or any crime involving moral turpitude.

(b) In the event that the Company terminates this Agreement (and thus ends the Term) other than for Cause (and not due to Hirsh's death) or due to non-renewal for a Renewal Term following the end of the Initial Term such that the Term ends on a date that is prior to the date that is twelve (12) weeks after the Effective Date, then so long as (and only if) Consultant and Hirsh: (A) execute and return to the Company in the time provided by the Company to do so, and do not revoke within any time provided by the Company to do so, a release of all claims in a form acceptable to the Company (the "Release"), which Release shall release the Company and each of its affiliates, and each of the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Consultant's and Hirsh's engagement, or affiliation with the Company and each of its affiliates or the termination of such engagement or affiliation; and (B) abides by the terms of Section 7 below, then the Company shall make a payment or grant, as applicable, to Consultant in a total amount equal to the amount of compensation that Consultant would have received between the date that the Term terminates and the date that is twelve (12) weeks after the Effective Date had Consultant remained engaged by the Company and received the applicable compensation referenced in Section 3(a) or 3(b) above during such period, with all such payments or grants attributable to periods following the date that is four (4) weeks after the Effective Date being paid at the Renewal Term Consulting Fee rate (such total amount due to be paid or granted pursuant to this Section 5(b) being referred to as the "Termination Payment") as if the Term had remained in effect during such period. The Termination Payment will be paid, or granted (as applicable), in a lump sum or single grant on the first business day that comes on or after the date that is sixty (60) days after the Term ends.

(c) For the avoidance of doubt, Consultant shall not be entitled to the Termination Payment, or any portion thereof, if the Term ends: (i) at any time upon or following the date that is twelve (12) weeks following the Effective Date, (ii) due to the Company's termination of this Agreement for Cause, or (iii) as a result of Consultant's resignation or non-renewal of this Agreement, or Hirsh's death.

6. Independent Contractor. At all times during the Term, Consultant shall be an independent contractor of the Company. In no event shall Consultant or Hirsh be deemed to be an employee of the Company or any of its affiliates, and Consultant and Hirsh shall not at any time be entitled to any employment rights or benefits from the Company or any of its affiliates. Consultant and Hirsh each acknowledges and agrees that, as a non-employee, Consultant and Hirsh are not eligible for any benefits sponsored by the Company or any of its affiliates. Consultant shall be solely responsible for making all applicable tax filings and remittances with respect to amounts paid to Consultant pursuant to this Agreement and shall indemnify and hold harmless the Company and its affiliates, and the foregoing entities' respective representatives, for all claims, damages, costs and liabilities arising from Consultant's failure to do so. It is not the purpose or intention of this Agreement or the Parties to create, and the same shall not be construed as creating, any partnership, partnership relation, joint venture, agency, or employment relationship.

7. Confidentiality and Non-Disclosure; Non-Disparagement; Non-Solicitation.

(a) Through the performance of the Consulting Services hereunder, Consultant and Hirsh shall have access to confidential or proprietary information of the Company or its affiliates, including some or all of the following documents, materials or information of the Company or any of its affiliates (collectively the "Confidential Information"): (i) business strategies, corporate opportunities, research, financial and sales data, pricing terms, evaluations, opinions, interpretations and acquisition prospects, (ii) information relating to the identity of acquisition targets, customers or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, (iii) information about development, production, marketing and merchandising plans or techniques, (iv) customer and supplier lists, prospective customer information, current and anticipated customer requirements, distribution networks, price lists, market studies and business plans, (v) historical and projected sales data, financial data and projections, capital spending budgets and operating budgets, (vi) employee and agent training techniques and materials and personnel files, (vii) research and development plans or results, and (viii) all other non-public information that gives the Company or any of its affiliates a competitive advantage by virtue of its not being publicly known.

(b) Consultant and Hirsh each hereby acknowledges and agrees that the protection of the Confidential Information is necessary to protect and preserve the value of the Company and its affiliates and the Company's and its affiliates' business. Accordingly, subject to the provisions of Section 7(c) and Section 7(d) below, Consultant and Hirsh each hereby covenants and agrees that, without the prior written consent of the Board, Consultant shall not directly or indirectly disclose any Confidential Information to any person or entity outside of the Company and shall not use any Confidential Information other than for the purpose of performing the Consulting Services hereunder.

(c) The provisions of Section 7(b) shall not apply to information (i) that is or becomes generally known to, and available for use by, the public other than as a result of the breach of this Agreement or any other obligation that Consultant or Hirsh owes the Company or any of its affiliates, (ii) that is available to Consultant on a non-confidential basis from a source that is not prohibited from disclosing such information to Consultant by a contractual, legal, or fiduciary obligation to the Company or any of its affiliates, (iii) that is required to be disclosed by applicable law, or (iv) the disclosure of which by Consultant is reasonably necessary for Consultant to satisfy and perform Consultant's or Hirsh's obligations under this Agreement. If Consultant or Hirsh becomes compelled by applicable law or court or arbitrator's order to disclose any Confidential Information, Consultant shall provide the Company with prompt written notice of such requirement so that the Company may seek a protective order or other remedy prior to, and in respect of, such disclosure. If such a protective order or other remedy is not obtained by, or is not available to the Company, then Consultant and Hirsh shall use commercially reasonable efforts to ensure that only the minimum portion of such Confidential Information that is legally required to be disclosed is so disclosed, and Consultant and Hirsh shall use commercially reasonable efforts to obtain assurances that confidential treatment shall be given to such Confidential Information.

(d) Nothing herein shall prevent Consultant or Hirsh from: (i) making a good faith report of possible violations of applicable law to any governmental agency or entity, including the Securities and Exchange Commission ("SEC"); (ii) or making disclosures that are protected under the whistleblower provisions of applicable law. Nothing in this Agreement requires Consultant or Hirsh to obtain prior authorization before engaging in any conduct described in the previous sentence, or to notify the Company that Consultant or Hirsh has engaged in any such conduct. Further, Hirsh shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Hirsh files a lawsuit for retaliation for reporting a suspected violation of law, Hirsh may disclose the trade secret to Hirsh's attorney and use the trade secret information in the court proceeding, if Hirsh (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

(e) Consultant and Hirsh each agrees, both during the Term and thereafter, not to disparage the Company, its affiliates, or their respective products, services, board(s) of directors, officers, or representatives, or otherwise take any action which could reasonably be expected to adversely affect the personal or professional reputation of any such person or entity. Notwithstanding the foregoing, this Section 7(e) shall not prevent any disclosures or statements required by applicable law or legal process, or made to a governmental agency, or otherwise permitted by Section 7(d) above.

(f) Consultant and Hirsh each further agrees, both during the Term and continuing for a period that is twelve (12) months thereafter, not to directly or indirectly solicit, canvass, approach, encourage, entice or induce any employee or contractor of the Company or any of its affiliates to terminate his, her or its employment or engagement with the Company or any of its affiliates.

(g) Consultant and Hirsh each acknowledges that the restrictions set forth in this Section 7 are reasonable in all respects, will not cause Consultant or Hirsh undue hardship, and are necessary to protect the Company's legitimate business interests, including the preservation of its goodwill, employee and contractor relationships, and Confidential Information. Consultant and Hirsh each further acknowledges that any breach of the covenants set forth in this Section 7 would cause the Company irreparable harm, and the Company shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach, by injunctions and restraining orders, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company, at law and equity.

8 . Ownership by the Company. If, during the Term, Consultant or Hirsh creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's or its affiliates' business, products or services, whether such work is created solely by Consultant or Hirsh or jointly with others, the Company, or such affiliate of the Company as is designated by the Company, shall be deemed the author of such work if the work is prepared by Consultant or Hirsh in the scope of Consultant providing (including through Hirsh performing) the Consulting Services. Consultant and Hirsh each hereby assigns all of Consultant's and Hirsh's worldwide right, title and interest in and to any such work, and shall reasonably assist the Company in the protection of the Company's worldwide right, title and interest in and to such work.

9. Dispute Resolution; Applicable Law; Arbitration.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Delaware without reference to the principles of conflicts of law thereof.

(b) Any dispute, controversy or claim between Consultant or Hirsh, on the one hand, and the Company on the other hand, arising out of or relating to this Agreement ("Disputes") shall be finally settled by arbitration in Wilmington, Delaware before, and in accordance with the rules for the resolution of disputes then in effect of, the American Arbitration Association ("AAA"). The arbitration award shall be final and binding on the parties. Each side shall share equally the cost of the arbitration and bear its own costs and attorneys' fees incurred in connection with any arbitration, unless the Arbitrator (as defined below) determines that compelling reasons exist for allocating all or a portion of such costs and fees to the other side.

(c) Any arbitration conducted under this Section 9 shall be heard by a single arbitrator (the "Arbitrator") selected in accordance with the then-applicable rules of the AAA. The Arbitrator shall expeditiously hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony, and evidence as he or she deems relevant to the dispute before him or her (and each party shall provide such materials, information, testimony, and evidence requested by the Arbitrator, except to the extent any information so requested is proprietary, subject to a third-party confidentiality restriction, or subject to an attorney-client or other privilege), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be reasoned, rendered in writing, final and binding upon the disputing parties and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction. All Disputes shall be arbitrated on an individual basis, and each party hereto hereby foregoes and waives any right to arbitrate any Dispute as a class action or collective action or on a consolidated basis or in a representative capacity on behalf of other persons or entities who are claimed to be similarly situated, or to participate as a class member in such a proceeding. This arbitration agreement is subject to the Federal Arbitration Act, 9 U.S.C. §1 et seq.

(d) Notwithstanding the foregoing, Consultant, Hirsh and the Company further acknowledge and agree that this Section 9 shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration; *provided, however*, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Section 9.

(e) For the purposes of any judicial proceedings ancillary to an arbitration under this Section 9 (including but not limited to a pre-arbitral injunction to maintain the status quo or prevent irreparable harm), each of the parties hereto hereby consents to personal jurisdiction, the service of process and venue in the federal and state courts (as applicable) sitting in Wilmington, Delaware and hereby irrevocably agrees that any such judicial proceedings may be heard and determined in any such state court or, to the extent permitted by law, in such federal court. With respect to any claim or dispute related to or arising out of this Agreement, THE PARTIES EXPRESSLY, KNOWINGLY, AND VOLUNTARILY WAIVE THEIR RIGHTS TO A JURY TRIAL.

10. Indemnification and Limitation of Liability.

(a) The Company agrees to indemnify and hold harmless Consultant and Hirsh individually (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including the reasonable costs for counsel or others in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent: (i) resulting primarily and directly from such Indemnified Party's gross negligence or willful misconduct, or (ii) arising from a dispute between the Company or its affiliate, on the one hand, and Consultant or Hirsh, on the other hand. The Company also agrees that (1) no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of Consultant except to the extent that any such liability for losses, claims, damages, liabilities or expenses result primarily and directly from such Indemnified Party's gross negligence or willful misconduct or breach of this Agreement, and (2) in no event will any Indemnified Party have any liability to the Company for special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity). The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.

(b) If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.

(c) In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found by a court or arbitrator of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.

11. Entire Agreement; Amendments. This Agreement constitutes the entire and final agreement between the Parties with respect to the subject matters hereof; provided, however, that nothing herein supersedes or replaces any agreement between Consultant or Hirsh and the Company or any of its affiliates with respect to non-disclosure, confidentiality, non-competition or non-solicitation, as all such agreements will remain in full force and effect. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the Parties.

12. Waiver. Any waiver of a provision of this Agreement shall be effective only if it is in a writing signed by the Party entitled to enforce such term and against which such waiver is to be asserted. No delay or omission on the part of either Party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

13. Assignments; Successors. This Agreement is personal to Consultant and Hirsh, as such, may not be assigned by Consultant or Hirsh. The Company may assign this Agreement without Consultant's consent, including to any affiliate. Subject to the preceding sentences, this Agreement shall apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.

14. Notices. All notices, requests, demands, claims and other communications permitted or required to be given hereunder must be in writing and shall be deemed duly given and received (a) if personally delivered, when so delivered, (b) if mailed, three business days following the date deposited in the U.S. mail, certified or registered mail, return receipt requested, (c) if sent by e-mail or other form of electronic communication, once transmitted and the confirmation is received, or (d) if sent through an overnight delivery service in circumstances to which such service guarantees next day delivery, the day following being so sent:

If to Consultant, addressed to:

LRHIRSH, LLC
4694 Carlton Dunes Drive, Unit 10
Fernandina Beach, FL 32034

If to Hirsh, addressed to:

Lawrence Hirsh
4694 Carlton Dunes Drive, Unit 10
Fernandina Beach, FL 32034

If to the Company, addressed to:

Wrap Technologies, Inc.
1817 W. 4th Street
Tempe, AZ 85281
Attn: Wayne R. Walker, Chairman of the Board

15. Certain Construction Rules. The Section headings contained in this Agreement are for convenience of reference only and shall in no way define, limit, extend or describe the scope or intent of any provisions of this Agreement. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. In addition, as used in this Agreement, unless otherwise provided to the contrary, (a) all references to days, months or years shall be deemed references to calendar days, months or years and (b) any reference to a "Section" shall be deemed to refer to a section of this Agreement. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specifically provided for herein, the term "or" shall not be deemed to be exclusive, and the term "including" shall not be deemed to limit the language preceding such term. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

16. Execution of Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original copy and all of which, when taken together, shall be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or e-mail transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or e-mail shall be deemed to be their original signatures for all purposes.

17. Code Section 409A. Notwithstanding anything to the contrary contained herein, this Agreement and the payments hereunder are intended to satisfy or be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations and other guidance thereunder (collectively, "Section 409A"). Accordingly, all provisions herein, or incorporated by reference herein, shall be construed and interpreted to satisfy or be exempt from the requirements of Section 409A. Further, for purposes of Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. Any reimbursement or in-kind benefit provided under this Agreement that constitutes a "deferral of compensation" within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

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SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Consulting Agreement, effective for all purposes as provided above.

WRAP TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____
Date: _____

LRHIRSH, LLC

_____
Lawrence Hirsh
Member

_____
Date

With respect to Sections 2, Sections 6 through 9, and those Sections above necessary to interpret and apply them:

LAWRENCE HIRSH

_____
Lawrence Hirsh

_____
Date

Wrap Technologies Announces Leadership Transition Plan to Support Next Phase of Corporate Strategy

TEMPE, Ariz., January 24, 2022 (GLOBE NEWSWIRE) -- Wrap Technologies, Inc. (Nasdaq: WRAP) ("Wrap" or the "Company"), a global leader in innovative public safety technologies and services, today announced a leadership transition plan to support the next phase of its corporate strategy, which is focused on diversifying the Company's suite of products, offerings and services. The plan provides for the following:

- Chief Executive Officer Tom Smith will be stepping down as part of a mutually agreed upon separation and Chief Financial Officer Jim Barnes will be retiring by the end of the year. Messrs. Smith and Barnes are not departing because of any disagreements or underlying business issues.

- The Company's day-to-day operations will be led by an interim management team that includes L. W. Varner, Jr., who will serve as Principal Executive Officer, Lawrence Hirsh, who will serve as Senior Advisor for financial matters, and Glenn Hickman, who is currently Chief Operating Officer and will remain in his role permanently. Mr. Barnes will remain in the role of Chief Financial Officer until his formal retirement.

- The interim management team will be supported and overseen by a Special Transition Committee of the Board of Directors (the "Board") that includes directors Scot Cohen and Kim Sentovich.

- The Board will run a formal process to identify highly-qualified candidates for the Chief Executive Officer and Chief Financial Officer roles.

- The Board has appointed director Wayne Walker as its new Chairman, replacing Patrick Kinsella.

- Mr. Kinsella and Jeff Kukowski are stepping down from the Board, effective immediately.

Scot Cohen, founder, director and a large shareholder of Wrap, commented:

"The Board believes Wrap has significant opportunities to grow and scale as the addressable market for public safety technologies and services continues expanding. To capitalize on these opportunities, we need to build on Wrap's existing foundation by diversifying our mix of products, offerings and services beyond BolaWrap and Wrap Reality. We also need to be able to anticipate the evolving needs of law enforcement and security organizations around the world. This is why the Board has initiated this leadership transition and is running a search to identify executives with qualifications aligned to the next phase of our corporate strategy. We thank Tom, Jim, Pat and Jeff for their contributions in recent years."

Wrap plans to keep shareholders and stakeholders informed on the Company's transition plan progress in the weeks to come. Additionally, Wrap intends to share more details on the next phase of its corporate strategy once a permanent management team is in place.

Management Biographies

- **L. W. ("Bill") Varner, Jr.** , who is Wrap's incoming Principal Executive Officer, has significant experience as a corporate executive and director in transition and turnaround situations. From June 2020 through November 2021, Bill was the Chief Executive Officer of Select Interior Concepts. Prior to that, he was Chief Executive Officer of United Subcontractors, Inc. ("USI") from July 2012 to May 2018. During his tenure, he led a transformation of the business through organic growth and strategic transactions that resulted in USI achieving double digit EBITDA margins and an eventual sale, creating significant value for shareholders. From 2004 to 2012, Mr. Varner served as the President and Chief Executive Officer of Aquilex Corporation, a leading provider of specialty services to the energy sector. Under his leadership, the company grew revenues by fivefold and achieved record earnings. Prior to joining in 2004, Mr. Varner served as President for several global businesses in various industries orchestrating their growth in new markets through expansion of service and product offerings. He is a graduate of The Citadel in Charleston, South Carolina, and has served on various philanthropic, industry and community boards. He has sat on the boards of directors of Aquilex Corporation, USI and other companies.

- **Lawrence Hirsh**, who will serve as Senior Advisor for financial matters, has decades of experience as an advisor, corporate executive and director. He is an expert in corporate finance, capital markets, cost management and strategic planning for transformations. From 2002 through 2018, Mr. Hirsh was a Managing Director at Alvarez & Marsal, a leading professional services firm and provider of interim management solutions. He has most recently served as Senior Advisor at Alvarez & Marsal. He is currently the chairman of Sierra Hamilton, LLC, a provider of engineering and project management services for the oil and gas industry. He has previously served as chairman and a director of companies that include The Identity Group, Deep Rock Water Company and Premier Care In Bathing.

- **Glenn Hickman**, Wrap's Chief Operating Officer, is a proven executive with extensive research and development, supply chain, manufacturing and software engineering experience. Mr. Hickman worked at Axon Enterprises (formerly TASER International) from 2011 to 2019, serving as Vice President of Research and Development from 2014 through 2019. At Axon, Mr. Hickman led the launch of six hardware products, all connected to an ecosystem of cloud software and mobile apps. He created engineering and supply chain processes and grew the engineering team from 35 to 70. Mr. Hickman was responsible for establishing the company's first manufacturing line in Shenzhen, China, and an optics engineering team in Finland.

Special Transition Committee Biographies

- **Scot Cohen**, one of Wrap's founders, has more than 20 years of experience in capital markets, corporate governance, finance and strategic planning. Scot founded and served as Principal of the Iroquois Capital Opportunity Fund, a closed-end private equity fund, which focused on investments in North American oil and gas. Mr. Cohen also co-founded Iroquois Capital, a New York based hedge fund, which managed approximately $300 million across its family of funds. Prior to that, Mr. Cohen founded a merchant bank that actively participated in structured investments in public companies. Mr. Cohen is currently active on a number of public and private company boards of directors and is involved with various charitable ventures.

- **Kimberly Sentovich** is a senior-level executive and experienced outside board director with over 30 years of experience. She is currently the CEO of Rachio, a manufacturer of smart irrigation controllers. She has worked with organizations ranging from Fortune 50 public companies and private companies to private equity portfolio companies and startups. Ms. Sentovich has held multiple operating roles at leading organizations including The Home Depot, Walmart, Gymboree and Torrid. She has managed big box and specialty stores, leading divisions with P&L responsibility up to $19B in revenue. Ms. Sentovich's other functional expertise includes technology, supply chain, business analytics and merchandising. She has also served on the board of directors of One Stop Systems (NASDAQ: OSS) from 2019 to the present.

New Chairman Biography

- **Wayne Walker**, who has been a Wrap director since 2018, has significant experience in corporate governance, finance, legal affairs and strategic planning. He is the president of Walker Nell Partners, Inc. ("Walker Nell"), an international business consulting firm. He focuses on corporate governance, turnaround management, corporate restructuring and organizational effectiveness. Walker Nell provides corporate governance and restructuring advisory services, fiduciary services, litigation support and other services to client corporations and law firms. In his role at Walker Nell, he has served on a number of private and public company boards. Notably, he is the former Chairman of the Board of Trustees of National Philanthropic Trust, a public charity with more than $17 billion of assets under management. Mr. Walker has more than 25 years of experience in corporate law and corporate restructuring, including working 15 years at the DuPont Company.

About WRAP

Wrap Technologies (Nasdaq: WRAP) is a global leader in innovative public safety technologies and services. WRAP develops creative solutions to complex issues and empowers public safety officials to protect and serve their communities through its portfolio of advanced technology and training solutions.

WRAP's BolaWrap® Remote Restraint device is a patented, hand-held pre-escalation and apprehension tool that discharges a Kevlar® tether to temporarily restrain uncooperative suspects and persons in crisis from a distance. Through its many field uses and growing adoption by agencies across the globe, BolaWrap is proving to be an effective tool to help law enforcement safely detain persons without injury or the need to use higher levels of force.

Wrap Reality, the Company's virtual reality training system, is a fully immersive training simulator and comprehensive public safety training platform providing first responders with the discipline and practice in methods of de-escalation, conflict resolution, and use-of-force to better perform in the field.

WRAP's headquarters are in Tempe, Arizona. For more information, please visit wrap.com.

Trademark Information

Cautionary Note on Forward-Looking Statements - Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to: statements regarding the Company's overall business; total addressable market; and, expectations regarding future sales and expenses. Words such as "expect", "anticipate", "should", "believe", "target", "project", "goals", "estimate", "potential", "predict", "may", "will", "could", "intend", and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Moreover, forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the Company's control. The Company's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: the Company's ability to successfully implement training programs for the use of its products; the Company's ability to manufacture and produce product for its customers; the Company's ability to develop sales for its new product solution; the acceptance of existing and future products, including the acceptance of the BolaWrap 150; the risk that distributor and customer orders for future deliveries are modified, rescheduled or cancelled in the normal course of business; the availability of funding to continue to finance operations; the complexity, expense and time associated with sales to law enforcement and government entities; the lengthy evaluation and sales cycle for the Company's product solution; product defects; litigation risks from alleged product-related injuries; risks of government regulations; the business impact of health crises or outbreaks of disease, such as epidemics or pandemics; the ability to obtain export licenses for countries outside of the US; the ability to obtain patents and defend IP against competitors; the impact of competitive products and solutions; and the Company's ability to maintain and enhance its brand, as well as other risk factors mentioned in the Company's most recent annual report on Form 10-K, quarterly report on Form 10-Q, and other SEC filings. These forward-looking statements are made as of the date of this press release and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Except as required by law, the Company undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

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